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AUTHENTEC, INC.

12 UNITED STATES DISTRICT COURT
13 NORTHERN DISTRICT OF CALIFORNIA
14 SAN FRANCISCO DIVISION

15 AuthenTec, Inc., a Delaware corporation,
16 Plaintiff,
17 vs.
18 Atrua Technologies, Inc., a California
19 corporation,
20 Defendant.

21
22 AND RELATED COUNTERCLAIMS
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Case No. 3:08-CV-1423 PJH

**PLAINTIFF AUTHENTEC, INC.'S
OPPOSITION TO ATRUA'S MOTION FOR
ORDER SHORTENING TIME FOR
HEARING ON MOTION FOR ENTRY OF
PROTECTIVE ORDER AND MOTION TO
COMPEL PRODUCTION OF SOURCE
CODE**

Judge: Hon. Phyllis J. Hamilton

Date: October 1, 2008
Requested Date: September 10, 2008
Time: 9:00 a.m.
Ctm: Courtroom 3, 17th Floor

1 **I. Introduction**

2 Atrua's request to hear a motion for a protective order and to compel on shortened time is based
 3 on several demonstrably false assertions and should be denied. Atrua falsely alleges that the lack of a
 4 protective order has prevented AuthenTec from producing source code that Atrua suddenly needs
 5 immediately to prepare its case. In reality, however, the AuthenTec source code production is not due
 6 until October 8, 2008 – after Atrua's protective order motion and frivolous motion to compel would be
 7 heard on regular time. Atrua was reminded of this hours before it filed (Ex. 1¹), but Atrua proceeded
 8 undeterred by the true facts, which are undisputed in its motion.² Second, although Atrua claims to
 9 need source code for its "infringement contentions," in reality, Atrua served its infringement
 10 contentions on August 8, 2008 and is well aware that claim construction and further litigation of its
 11 patent claims will not occur until some time after April 1, 2009 (the date set for construction of two of
 12 AuthenTec's patents). Third, Atrua also knows that although it has no obligation to do so, AuthenTec
 13 has already offered to make its source code available for review rendering its motion, and certainly the
 14 request to expedite, moot. Finally, Atrua was also advised in advance of requesting a very expedited
 15 briefing schedule that counsel for AuthenTec is on vacation this week, but Atrua filed its motion
 16 anyway.³

17 Worse yet, Atrua—not AuthenTec—is the party that has failed to timely produce source code.
 18 Pursuant to newly adopted Patent Local Rule 3-2(e), Atrua was required to produce source code with
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22 ¹ All exhibits are attached to the Declaration of Denise M. De Mory In Support of Plaintiff AuthenTec,
 23 Inc.'s Opposition to Atrua's Motion for Order Shortening Time for Hearing on Motion for Entry of
 Protective Order and Motion to Compel Production ("De Mory Decl.").

24 ² Because Atrua knows that AuthenTec's source code production is not yet due, neither Atrua's motion
 25 to expedite nor the protective order motion indicate the date on which Atrua alleges the AuthenTec
 code should have been produced or the grounds for compelling production. In fact, Atrua asserted for
 the *first time* that it allegedly had an "urgent need" for the code at 12:36 a.m. on the day it filed.

26 ³ The first draft of the protective order was circulated on August 4, 2008, just two weeks before the
 27 instant motion was filed. To date, only one brief telephonic meet and confer has occurred regarding
 the protective order. Correspondence reflects that the parties were still involved in active discussions
 28 when Atrua unilaterally declared an impasse. This course of conduct does not bode well for this case.

its infringement contentions on August 8, 2008.⁴ Rather than accept AuthenTec's offer to work toward a resolution of this issue, or to make its code available for review in its offices under the terms proposed by AuthenTec, Atrua instead opted to waste party and judicial resources pursuing this completely unnecessary motion apparently to deflect attention from its own failure to comply with the rules. The motion to expedite should be denied in its entirety, the motion for a protective order should be denied as premature pending further meet and confer, and Atrua should be ordered to pay fees to deter further unnecessary motion practice.

II. Factual Background

On August 4, 2008, just 14 days before Atrua filed its Motion based on its self-declared impasse, AuthenTec sent Atrua a draft PO. (De Mory Decl., ¶3). In the draft PO, AuthenTec proposed a "review computer" procedure.⁵ Similar procedures are regularly followed both in the Northern District of California and in other courts throughout the country. *See* Ex. 2, ¶23 at p. 9-11, entered in *Synopsys, Inc. v. Ricoh Co.*, C03-02289-MJJ (EMC) (N.D. Cal. 2004);⁶ *Polycom, Inc. v. Codian, Ltd.*, No. 2:05CV520, 2007 U.S. Dist. LEXIS 4293, at *10-13 (E.D. Tex. Jan. 22, 2007) (denying motion to compel production of source code in native format at location other than defendant's place of business); *GM Networks Ltd. v. E-Gold Ltd.*, 01 Civ. 9621 (RMB)(DFE), 2002 U.S. Dist. LEXIS 9957, at *8 (S.D.N.Y. May 17, 2002) (finding review of source code computer at counsel's office and printing of code for exhibits reasonable and without invasion of attorney work product privilege);

⁴ Rather than reflexively engaging in motion practice, AuthenTec raised this issue with Atrua and has offered to discuss it on several occasions. Instead of discussing this issue, within days of the issue being raised, Atrua manufactured the alleged impasse and "urgent need" that precipitated this motion.

⁵ The proposal sets forth a procedure wherein a computer containing the source code is made available for Atrua's review at AuthenTec's counsel's office, or at another location mutually agreed upon by the parties. (Dkt. No. 41-2 at 8.) A printer would be provided to allow Atrua to print pages of interest, which would then be labeled with a production number and produced to Atrua to allow use of the source code in depositions and as exhibits. (*See id.*) Greenberg Traurig's Silicon Valley office, where its counsel Mr. Li works, is literally a stone's throw away from Howrey's office where AuthenTec has offered to provide access to the source code computer; the two buildings are separated by a driveway. Thus, any claims of unreasonable burden in having to review the computer at Howrey's office should be dismissed, and any work product issues can be resolved, and in any event, do not outweigh the extraordinary need to protect source code.

⁶ An unsigned copy is attached because the signed copy is illegible.

1 *Adobe Sys., Inc. v. Macromedia, Inc.*, CV No. 00-473 (JFF), 2001 U.S. Dist. LEXIS 18630, at *3 (D.
2 Del. Nov. 5, 2001) (ordering production of printed copies of source code to protect against intentional
3 or inadvertent access by persons not a party to the litigation).

4 On August 8, 2008, infringement contentions were due. The parties agreed that the lack of a
5 protective order would not impede their ability to comply with their obligations under the rules. (De
6 Mory Decl., ¶5, Ex. 3.) AuthenTec served its contentions in compliance with the new Patent Local
7 Rules adopted effective March 1, 2008.⁷ In particular, AuthenTec served with its contentions
8 thousands of pages of documents relating to the structure, function, and operation of its own products
9 which it claims practice its asserted patents as required by new Patent Local Rule 3-2(e). Atrua also
10 served its infringement contentions.⁸ Atrua's infringement contentions accuse AuthenTec source code
11 as the instrumentality that practices the asserted claims. Accordingly, pursuant to Patent Local Rule 3-
12 4(a), AuthenTec must produce its source code with its October 8, 2008 invalidity contentions. Given
13 that AuthenTec's source code production is not due until after Atrua's motion can be heard on regular
14 time there is no reason to expedite and Atrua's motion to compel is completely frivolous.⁹

15 On August 11, 2008, the parties held the only telephonic meet and confer that has occurred
16 regarding the protective order. (Id., ¶6.) Atrua sent a letter dated August 11, 2008 memorializing the
17 meet and confer and stating that "[t]he parties agree to provide their proposals to each other in writing
18 and meet and confer again on the issue." (Ex. 4.) Atrua raised an escrow option during the call, which
19 AuthenTec agreed to consider, but Atrua provided no further follow-up. (De Mory Decl., ¶6.)

21 ⁷ AuthenTec's contentions were served subject to a motion to supplement because AuthenTec had not,
22 and still has not, received any discovery from Atrua regarding its products.

23 ⁸ Atrua's contentions, however, did not comply with the new Patent Local Rules. With regard to the
24 instant issues, Atrua did not produce or make available for review its source code or other documents
as required by the rules.

25 ⁹ The only other conceivable argument Atrua could make is that source code should be produced in
26 response to its document requests. Knowing, however, that the code would be produced pursuant to
27 the Patent Local Rules, Atrua did not serve a request asking for the code or other technical documents,
28 other than manuals, relating to AuthenTec's products. And, even if it could argue the code was
responsive to some document request, Atrua itself has not produced a single document in response to
AuthenTec's earlier served requests, and has, in fact, proposed a September 17, 2008 mutual exchange
of documents, further undercutting its newly manufactured "urgency" claims.

1 Atrua returned its first redlined version of the PO on August 12, and AuthenTec returned a
2 redlined version on August 14. (Id., ¶8.) On August 15, 2008, the parties exchanged e-mails
3 regarding the draft PO. AuthenTec requested a proposed time for a Monday call. (Id., ¶9, Ex. 5.)
4 After receiving no response during business hours on Monday, AuthenTec requested a Tuesday call.
5 (Id.) The parties were unable to connect on Tuesday and Wednesday despite calls to each other. (Id.)
6 At the end of the day Wednesday, AuthenTec's counsel again requested a specific time for a call. (Id.,
7 ¶10, Ex. 6.) Atrua's counsel did not respond, instead sending an e-mail at 12:36 a.m. asserting for the
8 *first time* that AuthenTec's source code production was urgent. AuthenTec responded in full to
9 Atrua's threat to file the instant motion at 1:21 p.m. the same day informing Atrua of the ill-conceived
10 nature of its threatened motion. (Ex. 1.) AuthenTec also explained that even though it was not even
11 yet under an obligation to produce its source code, it had the code ready for review and would make it
12 available provided that Atrua made its overdue code available for review.¹⁰ (Id.) AuthenTec also
13 advised Atrua's counsel that the proposed non-urgent motion would interfere with counsel's vacation.
14 (Id.) Atrua provided no response, but instead several hours later filed the instant motions, which do
15 not even address the issues raised in AuthenTec's letter.

16 **III. Argument**

17 Atrua's protective order motion and motion to compel should not even be before this Court, but
18 even if they were proper, there is certainly no need to accelerate the resolution of them. AuthenTec's
19 source code production is not due until October 8, 2008. Atrua already served its infringement
20 contentions on August 8, 2008. To the extent that the source code has relevance to the mediation, the
21 mediation is not scheduled to occur for over two months, and Atrua will have AuthenTec's source
22 code in the normal course weeks before the mediation. Exchange of preliminary claim constructions
23 are not due for over two and a half months and claim construction and further litigation of Atrua's
24 patent is not even scheduled at this point, and will not occur until some point after April of 2009.
25 Thus, Atrua's claims of substantial harm and prejudice if it does not immediately receive source code
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27 ¹⁰ As a point of clarification, the source code computer offered for Atrua's review contains
28 approximately 20 GB of data rather than 100 GB referenced by Atrua in its motion.

1 lack merit. In any event, AuthenTec has already offered to make its source code available for review
 2 provided only that Atrua produce its overdue code. Thus, if Atrua's need was really urgent, it could
 3 and should have expended its resources producing its code and reviewing AuthenTec's code – not
 4 wasting AuthenTec's and the Court's resources filing this Motion.

5 Atrua's failure to properly meet and confer before filing its motions is also disturbing from the
 6 perspective of future interactions between the parties and the Court. Moreover, its failure to
 7 adequately meet and confer provides ample basis for denying the motions outright. *See Use Techno*
 8 *Corp. v. Kenko USA, Inc.*, C-06-02754 EDL, 2007 U.S. Dist. LEXIS 80006 (N.D. Cal. Oct. 18, 2007).
 9 At 12:36 a.m. on Thursday, August 21, Atrua unilaterally declared an impasse, and paid lip service to
 10 initiating a meet and confer via only the email. AuthenTec sent a letter in response at 1:21 p.m. the
 11 same day. With no further communication, Atrua filed its motion about six hours later. This scant
 12 exchange did not meet the requirements of Civil L.R. 37-1(a). *See id.* at *5 (“where Defendants waited
 13 until the final day to file a motion to compel before attempting to meet and confer, leaving one
 14 message for one of Plaintiffs’ attorneys before filing the motion several hours later does not satisfy the
 15 basic meet and confer requirement.”) For this reason alone, the motions should be denied.

16 **IV. Conclusion**

17 For the foregoing reasons, Atrua's motions should be denied.

18 Dated: August 25, 2008

Respectfully submitted,

19 HOWREY LLP

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 21 By: /s/Denise M. De Mory
 22 Denise M. De Mory
 23 Attorneys for Plaintiff
 24 AUTHENTEC, INC.
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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

AuthenTec, Inc., a Delaware corporation,

Plaintiff,

vs.

Atrua Technologies, Inc., a California
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Defendant.

AND RELATED COUNTERCLAIMS

Case No. 3:08-CV-1423 PJH

**[PROPOSED] ORDER DENYING
DEFENDANT ATRUA TECHNOLOGIES,
INC.'S MOTION FOR ORDER
SHORTENING TIME FOR HEARING ON
ATRUA'S MOTION FOR ENTRY OF
PROTECTIVE ORDER AND MOTION TO
COMPEL PRODUCTION OF SOURCE
CODE AND DENYING DEFENDANT
ATRUA TECHNOLOGIES, INC.'S
MOTION FOR ENTRY OF PROTECTIVE
ORDER AND MOTION TO COMPEL
PRODUCTION OF SOURCE CODE**

Judge: Hon. Phyllis J. Hamilton

Date: October 1, 2008
Requested Date: September 10, 2008
Time: 9:00 a.m.
Ctrm: Courtroom 3, 17th Floor

1 This matter comes before the Court on the Motion of Defendant Atrua Technologies, Inc.
2 (“Atrua”) to Shorten Time for Hearing on Motion for Entry of Protective Order and to Compel
3 Production of Source Code. The Court, having reviewed and considered the parties’ respective
4 briefing and arguments in this matter and all relevant factual statements therein, hereby:

5 DENIES Atrua’s Motion to Shorten Time for Hearing on Motion for Entry of Protective Order
6 and to Compel Production of Source Code.

7 DENIES Atrua’s Motion for Entry of Protective Order and to Compel Production of Source
8 Code.

9 IT IS SO ORDERED

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11 DATED: _____

12 _____
13 United States Magistrate Judge
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